

RECORDATION NO. 11879-^F Filed 1425

JUN 8 1980

STEPTOE & JOHNSON

INTERSTATE COMMERCE COMMISSION 1250 CONNECTICUT AVENUE

WASHINGTON, D. C. 20036

CHERYL A. SKIGIN

(202) 862-2053

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JUN 8 1980 45 PM

INTERSTATE COMMERCE COMMISSION

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RECORDATION NO. 11879-^C Filed 1425

JUN 9 1980 45 PM

June 9, 1980

INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION

Ms. Agatha Mergenovich, Secretary
Interstate Commerce Commission
Room 2215 - Office of the Secretary
Washington, DC 20423

No. 0-161A104

Date JUN 9 1980

Fee \$ 270.00

ICC Washington, D. C.

RECEIVED
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FEE OPERATION BR.

Dear Ms. Mergenovich:

Enclosed for filing and recordation pursuant to the provisions of 49 U.S.C. § 11303 are several copies of the following documents:

1. Lease Agreement dated as of January 16, 1980, between Brae Corporation and The Iowa Terminal Railroad;

2. Lease Agreement dated as of July 13, 1979 between Brae Corporation and Columbia & Cowlitz Railway Company;

3. Lease Agreement dated as of March 8, 1978 between Brae Corporation and Port of Tillamook Bay Railroad;

4. Amendment Agreement No. 1 (to the Lease Agreement dated as of March 8, 1978) between Brae Corporation and Port of Tillamook Bay Railroad dated March 31, 1980

5. Supplement No. 2 (to the Lease Agreement dated as of July 13, 1979) between Brae Corporation and Columbia & Cowlitz Railway Company dated as of June 2, 1980;

6. Assignment of Lease and Agreement dated as of June 9, 1980 between Brae Corporation and The Connecticut Bank and Trust Company of the Lease Agreement dated as of March 8, 1978 between Brae Corporation and Port of Tillamook Bay Railroad;

7. Assignment of Lease and Agreement dated as of June 9, 1980 between Brae Corporation and The Connecticut Bank and Trust Company of the Lease Agreement dated as of January 16, 1980, between Brae Corporation and The Iowa Terminal Railroad;

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RECORDATION NO. 11879-^H Filed 1425

JUN 8 1980 45 PM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 11879-^B Filed 1425

JUN 8 1980 45 PM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 11879-^E Filed 1425

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INTERSTATE COMMERCE COMMISSION

Countersigned Cheryl A. Skigin

June 9, 1980

8. Assignment of Lease and Agreement dated as of June 9, 1980 between Brae Corporation and The Connecticut Bank and Trust Company of the Lease Agreement dated as of July 13, 1979 between Brae Corporation and Columbia & Cowlitz Railway Company; and,
9. The Equipment Trust Agreement dated as of May 1, 1980 between Brae Corporation and The Connecticut Bank and Trust Company; and,

Please file and record the documents previously enumerated under the names of the parties set forth below.

The equipment which is subject to these agreements is described in Schedule A attached hereto.

The names and addresses of the parties to the transactions evidenced by the foregoing documents are as follows:

- ✓ 1. Lessor: Brae Corporation
Three Embarcadero Center
San Francisco, CA 94111

Lessee: The Iowa Terminal Railroad
Post Office Box 450
Mason City, IA
- ✓ 2. Lessor: Brae Corporation
Three Embarcadero Center
San Francisco, CA 94111

Lessee: Columbia & Cowlitz Railway
Company
Post Office Box 288
Longview, WA 98632
- ✓ 3. Lessor: Brae Corporation
Three Embarcadero Center
San Francisco, CA 94111

Lessee: Port of Tillamook Bay Railroad
Tillamook, OR 97141
- ✓ 4. Lessor: Brae Corporation
Three Embarcadero Center
San Francisco, CA 94111

Lessee: Port of Tillamook Bay Railroad
Tillamook, OR 97141
- ✓ 5. Lessor: Brae Corporation
Three Embarcadero Center
San Francisco, CA 94111

Lessee: Columbia & Cowlitz Railway
Company
Post Office Box 188
Longview, WA 98632

- ✓6. Assignor/Lessor: Brae Corporation
Three Embarcadero Center
San Francisco, CA 94111
- Trustee: The Connecticut Bank and
Trust Company
One Constitution Plaza
Hartford, CT
- Assignee: Port of Tillamook Bay Rail-
road
Tillamook, OR 97141
- ✓7. Assignor/Lessor: Brae Corporation
Three Embarcadero Center
San Francisco, CA 94111
- Trustee: The Connecticut Bank and
Trust Company
One Constitution Plaza
Hartford, CT
- Assignee: The Iowa Terminal Railroad
Company
Post Office Box 450
Mason City, IA
- ✓8. Assignor/Lessor: Brae Corporation
Three Embarcadero Center
San Francisco, CA 94111
- Trustee: The Connecticut Bank and
Trust Company
One Constitution Plaza
Hartford, CT
- Assignee: Columbia & Cowlitz Railroad
Company
Post Office Box 450
Mason City, IA
9. Lessee/Guarantor: Brae Corporation
Three Embarcadero Center
San Francisco, CA 94111
- Trustee/Lessor: The Connecticut Bank and
Trust Company
One Constitution Plaza
Hartford, CT

Additionally, it is requested that documents numbered one through five be cross-indexed under the name of the Trustee, The Connecticut Bank and Trust Company. Check numbered 12384 from Heller, Ehrman, White & McAuliffe in the amount of \$120.00 and check numbered 44345 from Steptoe & Johnson in the amount of \$150.00 are enclosed to cover the filing fee (\$220.00) and cross-indexing fee (\$50.00).

Ms. Mergenovich

-4-

June 9, 1980

Please return to the person presenting this letter your acknowledgement, fee receipt, the enclosed copies of this letter and any copies of the documents not required for recordation, all stamped to indicate appropriate filing information.

Very truly yours,


Cheryl A. Skigin

mbm

Enclosures

[to ICC transmittal letter]

SCHEDULE A

SCHEDULE OF RAILCARS

<u>No. of Units</u>	<u>Description</u>	<u>AAR Designation</u>	<u>Identification Numbers (both inclusive)</u>	<u>Lessee</u>	<u>Date of Lease</u>	<u>Term of Lease</u>
75	50'6" 70-Ton Boxcars	XM	POTB 151 through POTB 225	Port of Tillamook Bay Railroad	March 8, 1978 Amend- ment Agree- ment No. 1 dated as of March 31, 1980	15 years
25	50'6" 70-Ton Boxcars	XM	IAT 1000 through IAT 1024	Iowa Terminal Railroad	January 16, 1980	15 years
50	100-Ton Wood- chip Cars	GTS	CLC 5001 through CLC 5050	Columbia & Cowlitz Railway Company	July 13, 1979	15 years

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RECORDATION NO. Filed 1425

JUN 9 1980 - 11 45 AM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT dated as of June 9, 1980 (this "Assignment"), by and between BRAE CORPORATION, a Delaware corporation (together with its successors and assigns, "BRAE"), and THE CONNECTICUT BANK AND TRUST COMPANY, as Trustee, a corporation organized under the laws of the State of Connecticut (the "Trustee").

WHEREAS BRAE has entered into an Equipment Trust Agreement dated as of May 1, 1980 (such Equipment Trust Agreement, together with any amendments or supplements thereto, hereinafter called the "Agreement");

WHEREAS BRAE and Port of Tillamook Bay Railroad (the "Lessee") have entered into a lease of Equipment (as defined in the Agreement) dated as of March 8, 1978 (such lease, together with any amendments or supplements thereto, hereinafter called the "Lease"), providing for the leasing by BRAE to the Lessee of units of the Trust Equipment (as defined in the Agreement);

WHEREAS the Lease may also cover the leasing to the Lessee of other equipment not included as part of the Trust Equipment; and

WHEREAS in order to provide security for the obligations of BRAE under the Agreement and as an inducement to the investor for which the Trustee is acting to purchase Trust Certificates (as defined in the Agreement), BRAE agrees to assign for security purposes its right in, to and under the Lease to the Trustee;

NOW, THEREFORE, in consideration of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. BRAE hereby assigns, transfers and sets over unto the Trustee, as collateral security for the payment and performance of BRAE's obligations under the Agreement, all of BRAE's right, title and interest, powers, privileges and other benefits under the Lease as and only to the extent that the Lease relates to the Trust Equipment set forth in Annex A hereto, including, without limitation, all rights to receive and collect all rentals, profits and other sums payable to or receivable by BRAE from the Lessee under or pursuant to

the provisions of the Lease, whether as rent, casualty payment, indemnity, liquidated damages or otherwise (such moneys hereinafter called the "Payments"); provided, however, that unless an Event of Default under the Agreement, or any event which, with notice or lapse of time or both, would constitute such an Event of Default, shall have occurred and be continuing, it is understood that BRAE shall be entitled to collect and receive all such Payments and to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an event of default specified in the Lease, and to apply all Payments to which BRAE is entitled to the payment of any and all of BRAE's obligations under the Agreement and to retain the balance, if any. In furtherance of the foregoing assignment, but subject to the foregoing provisions of this paragraph, BRAE hereby irrevocably authorizes and empowers the Trustee in its own name, or in the name of its nominee, or in the name of BRAE or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which BRAE is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof. To the extent that the Lease covers other equipment not included as part of the Trust Equipment and the amount of any payment due to BRAE under such Lease as car hire payments (including both straight and incentive per diem), mileage charges or other rental revenues is calculated on an aggregate basis for all equipment leased thereunder, for the purposes of this Assignment an amount equal to the Assigned Fraction (as hereinafter defined) of each such payment shall be deemed to be payable with respect to such Trust Equipment leased under such Lease. The term "Assigned Fraction" as used herein shall mean a fraction the numerator of which shall be the number of units of equipment comprising such Trust Equipment leased under such Lease and the denominator of which shall be the aggregate number of units of equipment (including such units of Trust Equipment) at the time leased under such Lease.

2. This Assignment is executed only as security for the obligations of BRAE under the Agreement and, therefore, the execution and delivery of this Assignment shall not subject the Trustee to, or transfer, or pass, or in any way affect or modify, the liability of BRAE under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of BRAE to the Lessee shall

be and remain enforceable by the Lessee, its successors and assigns, against, and only against BRAE or persons other than the Trustee.

3. To protect the security afforded by this Assignment, BRAE agrees as follows:

(a) BRAE will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides is to be performed by BRAE.

(b) At BRAE's sole cost and expense, BRAE will appear in and defend every action or proceeding arising under, growing out of or in any manner connected with the obligations, duties or liabilities of BRAE under the Lease.

(c) Should BRAE fail to make any payment or to do any act which this Assignment requires BRAE to make or do, then the Trustee, but without obligation so to do, after first making written demand upon BRAE and affording BRAE a reasonable period of time within which to make such payment or do such act, but without releasing BRAE from any obligation hereunder, may make or do the same in such manner and to such extent as the Trustee may deem necessary to protect the security provided hereby, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof and the rights or powers of the Trustee, and also the right to perform and discharge each and every obligation, covenant and agreement of BRAE contained in the Lease; and, in exercising any such powers, the Trustee may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and BRAE will reimburse the Trustee for such costs, expenses and fees.

4. Upon the full discharge and satisfaction of all of BRAE's obligations under the Agreement and this Assignment, all rights herein assigned to the Trustee shall terminate, and all estate, right, title and interest of the Trustee in and to the Lease shall revert to BRAE, and the Trustee shall take such action as BRAE may reasonably request to confirm BRAE's estate, right, title and interest in and to the Lease.

5. BRAE will, from time to time, do and perform any other act and will execute, acknowledge, deliver and file, register, deposit and record (and will refile, reregister, rerecord or redeposit whenever required) any and all further instruments required by law or reasonably requested by the Trustee in order to confirm or further assure the interests of the Trustee hereunder.

6. If an Event of Default shall occur and be continuing under the Agreement, the Trustee may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Trustee hereunder. The Trustee will give written notice to BRAE and the Lessee of any such assignment.

7. This Assignment shall be governed by the laws of the State of New York, but the parties shall be entitled to all rights conferred by the laws of the United States of America permitting filing with the Interstate Commerce Commission.

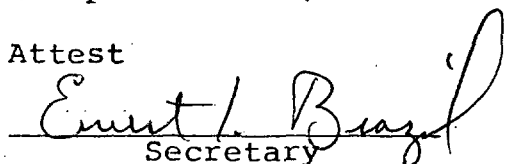
8. This Assignment shall not be deemed delivered by BRAE until accepted by the Trustee in New York, New York.

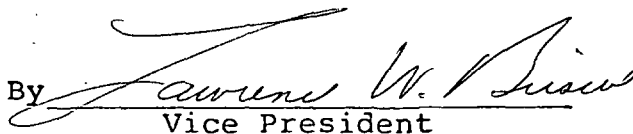
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective names, by officers thereunto duly authorized, and their respective seals to be affixed and duly attested, all as of the date first above written.

(Corporate Seal)

BRAE CORPORATION


Attest


Secretary

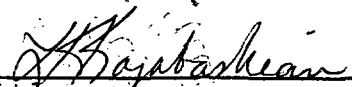
By 
Vice President

THE CONNECTICUT BANK AND TRUST
COMPANY, as Trustee

[Corporate Seal]

by 
Title: Asst Vice President

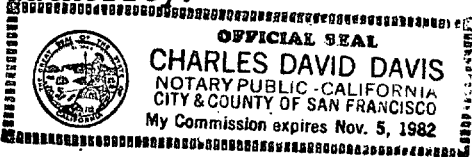
Attest:


Title: Asst. Treas.

STATE OF California)

COUNTY OF *San Francisco*

On this 4th day of June 1980, before me personally came Lawrence W. Busco, to me known, who, being by me duly sworn, did depose and say that he resides at San Francisco; that he is the Vice President of BRAE CORPORATION, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed on this day by authority of the Board of Directors of said Corporation; and that he signed his name thereto on this day by like authority.



Charles David Davis
Notary Public

[Seal]

STATE OF _____,)
COUNTY OF _____,) ss.:

On this day of , 19____, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he resides at _____; that he is the _____ of THE CONNECTICUT BANK AND TRUST COMPANY, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed on this day by authority of the Board of Directors of said Corporation; and that he signed his name thereto on this day by like authority.

Notary Public

[Seal]

STATE OF)
) ss.:
COUNTY OF)

On this day of 19__ , before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he resides at _____; that he is the _____ of BRAE CORPORATION, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed on this day by authority of the Board of Directors of said Corporation; and that he signed his name thereto on this day by like authority.

Notary Public

[Seal]

STATE OF *NEW YORK* .)
) ss.:
COUNTY OF *NEW YORK* .)

On this *5th* day of *June* , 19*80*, before me personally came *M J Bristen*, to me known, who, being by me duly sworn, did depose and say that he resides at *132 Stage Coach Lane Newington Conn*; that he is the *Asst Vice President* of THE CONNECTICUT BANK AND TRUST COMPANY, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed on this day by authority of the Board of Directors of said Corporation; and that he signed his name thereto on this day by like authority.

Holly B. Hanes

Notary Public

[Seal]

HOLLY B. HANES
NOTARY PUBLIC, State of New York
No. 31-4687697
Qualified in New York County
Commission Expires March 30, 1981

<u>No. of Units</u>	<u>Road Numbers</u>	<u>Description</u>	<u>AAR Mechanical Designation</u>
75	POTB 151 through POTB 225	70 ton General Purpose Boxcars	XM